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GOVERNOR

STATE OF MAINE  
DEPARTMENT OF EDUCATION  
23 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0023

Angela Faherty, Ph.D.  
COMMISSIONER

**Exhibit # XI.D.**

TO: Members of the State Board of Education

FROM: Angela Faherty, Ph.D., Commissioner\*

DATE: November 10, 2010

SUBJECT: Federal Qualified School Construction Bond Program – RSU 61

**STATEMENT OF FACT**

The Department of Education coordinates the Federal Qualified School Construction Bond (QSCB) program. QSCBs are bonds issued by state or local governments which the Federal government subsidizes by providing tax credits to bondholders or direct payment interest subsidies to issuers. Bond proceeds can be used for construction, rehabilitation, or repair of public school facilities. Maine has a 2010 QSCB balance of \$25,783,671.

RSU 61/SAD 61 submitted a 2009 QSCB application for Lake Region High School/Lake Region Vocational Center and on July 15, 2009 received State Board of Education designation for priority approval in the amount of \$10,013,498. RSU 61/SAD 61 has requested that they be permitted to return their allocation to the Department of Education and that the Department reissue the RSU 61/SAD 61 allocation directly to the Maine Municipal Bond Bank (MMBB) for the RSU 61/SAD 61 projects. Pursuant to this reallocation, the MMBB would issue QSCBs to provide funds for the previously approved RSU61/SAD 61 projects.

**DEPARTMENT RECOMMENDATION**

The Department of Education recommends that the State Board approve that the 2010 Federal allocation to RSU 61/SAD 61 of QSCBs in the amount of \$10,013,498 be reallocated to the Maine Municipal Bond Bank provided that the QSCBs issued by the Maine Municipal Bond Bank pursuant to this allocation shall be issued to provide funds for the RSU 61/SAD 61 projects that the State Board of Education previously voted to designate for priority approval by the Commissioner of Education on July 15, 2009.

\*Prepared by the School Facilities Services Team